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AGRICULTURAL COOPERATION

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FLORIDA FRUIT TO BE SHIPPED NORTH BY WATER ROUTE

As a means of reducing freight charges, the Florida Citrus Exchange has established a steamship line with three ships to carry its fruit from Florida ports to cities on the Atlantic seaboard. A rate of 35¢ a box has been established from Florida to New York, compared with the railroad rate of \$1.65 per box from Tampa to New York, and \$1.25 from Fort Myers to the same point. It is expected that hundreds of thousands of dollars will be saved to members whose fruit will be shipped at about one-third of the rate which will be available to nonmembers.

Each of the three ships will make two trips a month, a total of six sailings from Florida ports each month. All three of the steamers are fully equipped for carrying fruit under refrigeration.

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HANDLED OVER TWO THOUSAND CARS OF CELERY

At an expense of between seven and eight per cent, 2,200 cars of celery and 300 cars of lettuce and other vegetables were marketed by the Florida Vegetable Corporation, Sanford, Fla., for its grower members during the year ending July 31, 1924. Total receipts from the sale of vegetables amounted to \$1,831,925, of which amount \$1,699,550 was paid to growers. Supplies were handled to the value of \$236,662, from which a profit of \$1,302 was derived.

The expenses of the corporation for the year were \$133,996, made up of operating expenses, \$15,648; administrative expenses, \$110,629; and depreciation, \$7,718. Among the larger items included in administrative expenses were: salaries, \$52,993; brokerage, \$26,810; telephone and telegraph, \$11,856; interest, \$2,977; advertising, \$2,682; printing and stationery, \$2,504; and collection expense, \$2,443.

At the close of business July 31, the assets of the corporation amounted to \$139,515. The largest single item was \$65,510, the value of a precooling plant with a daily capacity of 30 cars. The net worth of the corporation was \$22,730. It was organized July 31, 1923, by 121 growers.

PEACH AND FIG GROWERS MUST SPEAK UP

"Do you want an association?" is the question which has been put to every member of the California Peach and Fig Growers, Fresno, Calif., by the board of directors of the association. In addition each member is being asked to indicate whether or not he believes that the association should be reorganized and the fig growers left out, or should be reorganized to handle both peaches and figs. At a recent meeting of the board of directors it was decided to send questionnaires to all the members and to take action in accordance with the wishes indicated on the returned cards. It is stated that if the members do not want an association steps will be taken at once to liquidate the organization. On the other hand, if the membership votes for a reorganized association such reorganization will be undertaken, with only peach growers or with both peach and fig growers as the members may elect.

In commenting upon the call for a vote the management says: "Answers on the cards will start a new system or end an old one.... The present association was literally thrown together to meet an emergency....when it was launched it met about every requirement, but conditions have changed and organizations must change to meet conditions.... It was originally so inadequately financed that it has not been able to meet changed conditions.... The fate of the dried peach and fig growers of this state hangs in the balance--yes, it is possible that the cooperative marketing idea in the United States may be affected favorably or adversely by the decision--but let there be no evasion."

The association was formed in 1916 as the California Peach Growers, Inc., and handled only dried peaches. Subsequently the fig growers were taken in and the name changed. About 1920, marketing agreements providing for the sale and purchase of the peach and fig crops of 1921, 1922, 1923, and 1924 were signed. As these are about to expire it seems essential that plans be made for the future.

At the annual meeting of the association held on June 10, 1924, the general manager reported that the heavy carry-overs from the crops of 1922 and 1923 had been greatly reduced, that a process of reorganization of the operating department had proceeded far enough to reduce expenses approximately \$100,000 a year. He made recommendations looking toward further reductions in expenses. Among these was one to the effect that expensive national magazine advertising be discontinued in behalf of advertising in farm papers and similar periodicals, in the hope of reaching a larger number of consumers.

The association has a membership of nearly nine thousand. It owns a saw mill, a box factory, railroad track, timber lands, etc. Its outstanding capital stock amounted to \$1,285,000 on May 31, 1924.

CREAM-SHIPPING ASSOCIATIONS IN NORTH DAKOTA

Cooperative cream-shipping associations have been appearing in North Dakota during the past two years. Five such associations have been formed since February of 1922 in Bottineau County, which is next to the international boundary. These are the Bottineau, Kramer, Overly, Landsford, and Westhope Cream Producers' Associations. The Bottineau organization is the oldest, having been formed in February of 1922. Three similar associations have been formed in an adjoining county. In its first ten months of existence the Bottineau association marketed 97,000 pounds of butterfat at an average net expense of 2-1/2 cents a pound, not including express.

The five associations were formed with the assistance of the county extension agent and all are organized on the same plan. All patrons must be members of the association; shares of stock are \$10 each; control of the organization is vested in a board of five directors elected by the members. A manager is employed by the board of directors to handle the cream delivered by the members. The cream is sold in the open market, at the highest price obtainable, to buyers representing creameries.

Several of the associations are handling eggs in addition to cream and one association has established a livestock department.

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DAIRY ASSOCIATION MAKING A WINNING FIGHT

Organized less than a year ago to take over the business of the bankrupt Illinois-Missouri Milk Producers' Association, the Ill-Mo Dairy Company, of East St. Louis, is reported as "making a winning fight in spite of a big handicap." The new organization took over the facilities of its predecessor and opened its doors for the receipt of cream January 1, 1924, and as soon as a good volume of cream was received attention was turned to making butter of high quality. During the last five months an average of 30,000 pounds of butter per month has been turned out. The "Illini Brand" carton was adopted early in the spring and has increased in popularity until in October sales under this brand amounted to 15,000 pounds. The remainder of the butter is sold on the open market at prices ranging from 1.9¢ to 3.6¢ less than the Illini brand. Three-fourths of the Illini butter is sold through country stores in the districts from which the cream is received, largely to farmers who have sold their whole milk for distribution in urban territories. "What is better than bread and butter" has been adopted as a slogan.

Cream is received from 147 stations in Illinois and 65 stations in Missouri, from 1,068 individual shippers, several of whom ship a distance of 150 miles by rail.

Rigid accuracy is practiced in recording sales and keeping accounts, and details regarding amount of butter on hand, amount churned, amount delivered, buttermilk sold, etc., are checked twice a day. The management believes that the time is not far distant when the association will be established on a firm basis.

STATISTICS FOR EGG MARKETING ASSOCIATION

A comparative statement showing receipts, number of members, and prices, for five years, was recently issued by the Poultry Producers of Southern California, Los Angeles, Calif. The average number of shippers per week varied from 492 in 1920 to 592 in 1923. The best record for number of eggs handled was made in 1923.

Below are given the detailed figures for the several years:

Year	Av. Number : of Shippers : Per Week	Eggs Received : (Dozens)	Prices : Returned : (Cents)
1920	492	4,133,335	37 - 82
1921	556	4,703,427	21 - 63
1922	523	4,139,185	22 - 59
1923	592	4,761,149	23 - 58
1924*	544	3,604,533	23 - 42

*Thirty-seven weeks.

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TEXAS COTTON LARGELY ONE-INCH STAPLE AND ABOVE MIDDLING

Cotton which is being delivered to the Texas Farm, Bureau Cotton Association, Dallas, Texas, is running largely one-inch staple and is above middling. Out of a total of 178,450 bales classed to November 6, representing cotton from all parts of the state, 171,950 bales, or 96.4 per cent, classed middling or above, and 143,950 bales, 80.7 per cent, was above middling. Of the 178,450 bales, 162,350, 90.9 per cent, graded one-inch staple, and 300 bales graded above one inch, leaving only 15,800 less than one inch.

Deliveries of cotton to November 8 amounted to 212,911 bales, an increase of 50 per cent over deliveries to the same date last year. Of 253 counties in the state 150 have already exceeded their deliveries of last year, and cotton has been received from 35 counties which sent none last year.

Direct sales to five foreign countries have been made so far, these countries being: Japan, England, Germany, France, and Spain.

On November 1 the membership of the association stood at 48,581, which was an increase of 18,000 in one year. From November 1 to 8, 117 new members were received. Ninety-five counties of the state were represented in the October additions to membership.

Sixty-five claims against the association's policies for fire-damaged cotton have been fully settled this season, covering 184 bales. Payment on such claims is made according to the particular pool into which the cotton would have fallen had it reached its destination.

BURLEY ASSOCIATION PLANNING LARGE ADDITIONAL STORAGE

Between twenty and thirty new storage houses are to be constructed by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., to assist in redrying and storing the 1924 tobacco. The new houses will be located at points where there already are redryers, thereby saving thousands of dollars to the growers. Additional redryers will also be built at four points. Work has already begun on the new storage houses which will be 200 by 300 feet in size, of modern construction, with the best possible roofing. It is expected they will be ready for use when deliveries of the 1924 crop begin.

Financing of the new structures will be taken care of locally, it is announced, each community in which a building is constructed will furnish the necessary funds. Rental or construction of houses in Tennessee, sufficient to take care of the crop, has been authorized by the board of directors.

These measures to provide adequate storage space are considered by the officers to be among the most important moves ever made by the association in the interests of economy. It is expected that practically the entire 1924 crop can be cared for by the association.

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FINAL PAYMENT ON 1922 TOBACCO IN ONE DISTRICT

A third and final payment on dark-fired tobacco of the 1922 crop, was made on November 1, by the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., to growers in the Henderson or stemming district. This distribution amounted to an average of \$2.51 per one hundred pounds, bringing the average net price to \$11.65 per hundred.

Expenses in this district were low, amounting to only \$1.05 per hundred pounds. In addition to this expense a deduction of 60 cents per hundred was made to pay for warehouse property, for which stock will be issued to members.

The tobacco in this district was handled in 44 pools. Average prices to growers varied from \$3 per hundred for the poorest grade handled to \$31.70 for the best grade.

Eight mass meetings were held on November 1 at the receiving stations of the district and the checks were distributed to growers by representatives of the association who also explained the method of payment and other details. A statement accompanied each check, showing the gross sale price, deductions, and other data.

Offices to look after the European trade have been opened by the association in London, England.

BIG REFUNDS FOR SHIPPERS OF LIVESTOCK

Excess commissions amounting to \$276,868 are reported by the Farmers' Livestock Commission Associations located at the terminal livestock markets at St. Joseph, Omaha, and Sioux City, for the first ten months of 1924. This amount is an increase of \$22,799 over the excess earnings of the three cooperative sales agencies for the first ten months of 1923.

Figures indicating the number of cars of livestock handled by the three companies for the first ten months of 1923 and 1924 show a net increase of 3,989 cars for the latter year. While the St. Joseph sales agency handled 609 fewer cars, the Omaha and Sioux City agencies handled 4,598 more, as will be noted by the following table:

Cars Handled, Jan. 1 to Oct. 31, Ten Months					
Association	1923	1924	Increase	Decrease	
St. Joseph	9,986	9,377	----	609	
Omaha	8,791	10,660	1,869	...	
Sioux City	4,989	7,718	2,729	...	
Total	23,766	27,755	4,598	609	
Net increase			3,989		

There was a gain in gross commissions collected for all three agencies. However, the greatest gain was made by the Sioux City agency. The total gain amounted to \$67,701. The average receipts per car were as follows: Omaha, \$14.81; St. Joseph, \$17.70; and Sioux City, \$17.04; and for all three, \$16.40, as will be noted below:

Gross Commissions, January 1 to October 1, Ten Months			
Association	1923	1924	Average (Per Car) 1924
St. Joseph	\$164,325.99	\$165,959.37	\$17.70
Omaha	139,393.81	157,902.47	14.81
Sioux City	84,018.11	131,578.02	17.04
Total	387,737.91	455,439.86	16.40
Increase		67,701.95	

Expenses for the three companies were \$44,902 greater for the first ten months of 1924 than for the same period of 1923. The average expenses per car were: Omaha, \$4.59; St. Joseph, \$7.06; and Sioux City, \$8.21; as is shown in the following table:

Expenses, January 1 to October 31, Ten Months

Association	1923	1924	Average Per Car 1924
St. Joseph	\$56,813.04	\$66,214.57	\$7.06
Omaha	40,001.94	48,935.88	4.59
Sioux City	36,854.19	63,420.85	8.21
Total	133,669.17	178,571.30	6.43
Increase		44,902.13	

There was a gain of \$22,799 in excess commissions for the ten months of 1924 as compared with 1923. These excess commissions are used largely in making refunds to shippers. The total amount accumulated so far in 1924 is \$276,838. The excess commissions on a per-car basis are: Sioux City, \$8.83; Omaha, \$10.33; and St. Joseph, \$10.64. These are the figures which interest the shippers who furnish the livestock forwarded to the several sales agencies. Arranged in table form the figures are as follows:

Excess Commissions, January 1 to October 31, Ten Months

Association	1923	1924	Average per Car 1924
St. Joseph	\$107,512.95	\$ 99,744.80	\$10.64
Omaha	99,391.87	108,966.59	10.22
Sioux City	47,163.92	68,157.17	8.83
Total	254,068.74	276,868.56	9.97
Increase		22,799.82	

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LIVESTOCK PRODUCERS TO OPEN FOURTEENTH TERMINAL

Plans are nearly completed for the opening of the fourteenth farmer-owned, livestock commission firm affiliated with the National Livestock Producers' Association. The new company will open for business on the Cincinnati market as soon as all arrangements can be completed. It will be known as the Producers' Livestock Commission Association, and will have offices in the Live Stock Exchange Building, Cincinnati, Ohio. Scott Meiks, of Indianapolis, is president, and F. G. Ketner, of Columbus, Ohio, is secretary and treasurer.

PLANNING FOR MARKETING CANADIAN LIVESTOCK

Details of organization of the Alberta Livestock Pool were worked out recently at a meeting at Edmonton, Canada. It was decided that the new organization should consist of local shipping associations and a central body. The local associations are to attend to assembling and forwarding the animals to a central market, and the central organization is to create and supervise a marketing agency at the central market. It is proposed that the overhead organization shall be formed on lines broad enough to serve also the livestock growers of Manitoba and Saskatchewan, in the event that they wish to cooperate in a general program for marketing livestock.

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COOPERATIVE ASSOCIATION FORMED TO MARKET RUTABAGAS

The farmers in four counties of Ontario, Canada, have formed a cooperative association for marketing rutabagas grown for shipment, particularly to the United States for table use. With the assistance of the Ontario Department of Agriculture and the Ontario Agricultural College, the farmers started their organization in May of this year. Over 1,300 members have already signed the five-year marketing agreement and it is expected that between 1,500 and 1,600 farmers will be members by the close of the year.

Owing to the limited area interested, the single-unit form of organization was used. "The rutabagas are loaded directly from the wagons to the car, making local warehouses unnecessary. Storing for winter and spring shipments is provided on the farms. The members around each shipping point appoint a committee of three who recommend a loader to the central office and assist in local organization matters. The head office appoints a supervisor of loaders who has direct charge of the loaders throughout the shipping territory."

It is stated by one of the college officials who assisted in perfecting the organization, that "As a direct result of the organization's activities, independent shippers were forced on November 15 to increase the prices paid to the growers from 10 cents per bushel, which had been the ruling price for some weeks, to 15 and 17 cents per bushel, an average increase of 6 cents per bushel."

A man was sent by the Ontario Department of Agriculture to 39 markets in the eastern part of the United States for the purpose of advising brokers and merchants regarding the new organization and the product which it is handling. It is reported that new markets were opened up and many new trade connections made, furthermore, that produce dealers in the United States "are well acquainted with the cooperative method of marketing farm products and are favorably disposed toward cooperative marketing efforts on sound lines."

ACTIVITIES OF A CANADIAN FRUIT COOPERATIVE

One hundred forty delegates attended the twelfth annual meeting of the United Fruit Companies of Nova Scotia, Ltd., held at Kentville, N. S., June 24, 1924. This organization is engaged in marketing apples and potatoes, operating a canning factory, apple evaporator and vinegar plant, and buying spray materials, flour, feed, fertilizers, seeds, and orchard supplies for its members. In the opinion of the secretary it is "the most successful cooperative association in Canada."

In his annual address the president of the organization said: "In reviewing the business of the past year we do not hesitate in expressing our belief that the United Fruit Companies has never been of greater value to its members than in the year just closed, and the prices obtained for both apples and potatoes are the result of careful attention to every detail in their distribution and movement."

The turnover for the year amounted to \$2,196,000. A total of 481,142 barrels of apples was handled, including boxes, half barrels, and crates. Seventy-five per cent of the apple shipments went to the British Isles. Over 110,000 barrels went to Manchester, and over 70,000 barrels each to London and Liverpool. Five hundred barrels were sent to Scandinavia in the hope of developing a demand for Nova Scotia apples in Northern Europe. About 18% of the total apple shipments were to points in the various Canadian provinces. A total of 32,775 barrels was handled through the canning factory and evaporator. The apples handled by the processing plants were converted into 125,352 gallon cans of apples, 361,675 pounds of evaporated apples, 132,376 pounds of pomace, 91,000 gallons of cider, and 25,000 gallons of vinegar.

Potato shipments amounted to 37,536 barrels and 1,377 bags. The selling prices ranged from \$2.40 a barrel to \$3.10.

Purchases made for the members of the association consisted of spray materials, flour, feed, fertilizers, and farm supplies. Among the purchases of spray materials were 1,609 pounds of "Black Leaf Forty," 328 tons of dust, 475 tons of hydrated lime, and over 60 tons of arsenate compounds. Fertilizer purchased amounted to over 5,660 tons; seeds to over 8,000 bushels. Among the miscellaneous supplies purchased were: 600 bags of salt, 500 feet of belting, 10 power dust-ers, 480 kegs of nails, 5,000 apple-box shooks, 13 spray guns, 96,800 pads, and 1,370,500 barrel pulphheads.

Real estate valued at \$72,800 is owned by the association, which has outstanding capital stock to the amount of \$20,510. General expenses for the year amounted to \$35,000, and profits to \$9,057. At the close of the year there was a credit balance in the profit and loss account of \$36,315.

Attention was called by the secretary at the annual meeting to the fact that the association had twice exhibited at the Imperial Fruit Show, first at London and then at Manchester. The first time it won gold, silver and bronze medals in addition to cash prizes, and the second time, a silver cup, two gold medals and cash prizes.

ITALIAN SOCIETIES FINANCED BY NATIONAL CREDIT INSTITUTE

Credit for cooperative societies in Italy has been provided for the past ten years by the National Credit Institute for Cooperation, according to a recent report from the American Consul General at Rome. This institute was organized in 1913 with a capital of approximately \$1,500,000, subscribed by a number of banks. Its growth has been constant and on January 1, 1924, its capital was stated to be about \$40,000,000. The following table shows the growth of capital and reserves for the ten years:

<u>Year : Capital and Reserves ::</u>		<u>Year : Capital and Reserves</u>	
:	(Liras)	:	(Liras)
1914 :	8,223,241	:: 1919 :	14,917,965
1915 :	8,264,953	:: 1920 :	22,143,297
1916 :	8,323,743	:: 1921 :	223,744,891
1917 :	8,379,970	:: 1922 :	226,214,891
1918 :	14,660,831	:: 1923 :	226,214,891

(Par value of the lira is 19.3 cents.)

Since 1920 the institute has operated two independent sections, one for agriculture and one for building operations. Under the terms of its charter the institute acts as a bank for cooperative associations and grants loans and subsidies against bonds or accredited guaranties. During the war period it assisted the farmers by granting loans for productive purposes, and after the armistice, during the period of labor disturbances in Italy, it helped the government to prevent the spread of radical action among laborers. In the past two or three years it has assisted the consumers' cooperatives, many of whose members have been unable to find work.

The volume of business done by agricultural cooperatives has declined during the last two years, as shown by the following table:

<u>Year : Volume of Business ::</u>		<u>Year : Volume of Business</u>	
:	(Liras)	:	(Liras)
1915 :	1,314,798	:: 1920 :	132,288,600
1916 :	2,263,848	:: 1921 :	191,632,952
1917 :	4,380,296	:: 1922 :	59,356,696
1918 :	15,423,401	:: 1923 :	23,385,050
1919 :	41,869,677	:: :	:

It is believed that the development of cooperative associations in Italy has not been arrested by the decline in activity of recent years, but that the movement may progress along sound financial lines. The existence of a national credit institution of the type described in this report coordinates cooperative activity and tends to provide the societies with financial backing based on adequate guaranty. The institute is under government supervision which is exercised periodically.

THE PRESENT POSITION OF COOPERATION IN GERMANY

A report on the "Present Position of Cooperatives in Germany," from the American Trade Commissioner at Berlin, dated October 16, 1924, states that the country has more than 52,300 cooperative societies. This large number, the writer believes, illustrates the present German tendency for over-organization in business. Since the first of January 2,478 new cooperatives have been organized, 1,405 have been dissolved, 63 have gone bankrupt, 39 have gone into receivership, making a net increase of more than 900 this year. Producers', consumers', and credit societies are included in these figures.

Cooperative credit societies have increased greatly in numbers in the last few years but their assets have been seriously impaired. Statistics for 400 of these societies show that on August 1, 1924, they had on hand cash amounting to \$2,000,000, deposits of \$17,000,000, practically no reserves, and bank debts of \$4,700,000; compared with cash on hand January 1, 1914, of \$9,500,000, reserves of \$10,000,000, deposits of \$75,000,000, and bank debts of \$1,900,000. In addition to these items the 400 societies had this year drafts and checks amounting to \$6,000,000, current accounts due of \$17,000,000, a small amount of real estate, and additional clearing house liabilities of \$3,700,000.

Figures regarding the combined turnover of nine large consumers' societies are now quoted regularly by one of the Berlin newspapers, in order to give a weekly index of business movements. Taking the average turnover of the first five weeks of 1924 as 100, the following figures are shown for the nine associations:

Week ending July 5	115.2
" " August 2	113.8
" " September 6	145.3
" " September 20	139.1

The report states that the remarkable growth of business in September may be accounted for in part by rising prices.

Among new consumers' cooperatives organized this year is one which is planning to distribute American foodstuffs to members through local freight forwarders. According to the plans, certain Hamburg dealers in foodstuffs have agreed to quote prices on a long list of articles, which prices shall remain fixed for a week or more. A printed list of these prices will be circulated all over Germany, and any member of the cooperative can order through his organization, which will turn the orders over to the Hamburg importers. The goods will be dispatched through the Freight Forwarders' Association which will collect on delivery, retaining a certain percentage for its services. Funds will be transmitted through a bank which makes its profits in the foreign exchange commission involved. The cooperative society will mail the price lists to members and handle their orders for an annual fee of two marks. It is pointed out that the plan may result in increased sales of standard American foodstuffs, such as lard, bacon, flour, and dried fruits. Considerable opposition has developed from the grocery trade.

RUSSIAN COOPERATION TO-DAY

"Cooperation and Trade" is the title of one of the articles in the "Russia To-Day" issue of the Manchester (England) Guardian Commercial, published June 26, 1924. In this article, E. F. Wise, Economic Adviser of Centrosoyus (All-Russian Union of Consumers' Societies), sketches the history of the cooperative movement through the vicissitudes of war and soviet regulation to the decree of December, 1923, when once again co-operation was legally, as well as in fact, a voluntary movement. One result was that "from December 28, 1923, to February 15, 1924, 6,813,000 persons rejoined voluntarily."

At the end of 1923 the number of consumers' societies connected with Centrosoyus was as follows:

Regional and district unions	147
District branches and agencies of unions	520
Societies, approximately,	19,000

The working capital of Centrosoyus at that time was approximately \$10,000,000. The work of this union consists in procuring supplies of various kinds for the members, purchasing agricultural products through the cooperative organizations, and taking orders from cooperatives for the sale of goods in the home market and in foreign markets. It has a number of trading departments and provincial offices and branches, employing representatives in London, New York, Paris, Berlin, Prague, Constantinople, Riga, Shanghai, etc.

Working in close connection with Centrosoyus is "Selskosoyus" (All-Russian Union of Agricultural Cooperative Societies) which is concerned with the sale of agricultural products for its members and the purchase of supplies and machinery for them. It is a federation of 124 national and regional unions of agricultural cooperatives, made up of 19,000 local societies with a total membership of 1,300,000 farms. This union has headquarters in Moscow and representatives in London, New York, Berlin and Riga.

An All-Russian cooperative bank, commonly called the Vseco Bank, was established in 1923 for the purpose of financing all branches of Russian cooperation. Centrosoyus and Selskosoyus are its chief shareholders, but various local unions and small associations also have their interests. This bank has a capital of about \$5,000,000. It has 52 branches and agencies in various towns. "Its method and scope are based on the work of the pre-revolution Moscow Narodny Bank, and it is represented in London by the Moscow Narodny Bank, Ltd.," which has a capital of over \$1,000,000 and "operates as an English bank on ordinary banking lines for the benefit of Russian cooperative institutions. In the period from October, 1923, to February 1, 1924, the turnover of the Vseco Bank increased 74%." The total volume of its resources on February 1 amounted to approximately \$25,000,000. "Its work is growing rapidly and it serves as a valuable connecting link through which the policy and operation of the whole cooperative movement may be co-ordinated."

NEW HAMPSHIRE COURT PASSES ON MARKETING AGREEMENT

An opinion in the case of the Manchester Dairy System, Inc., vs. Henry H. Hayward, based on an alleged breach of contract, was handed down by the Superior Court, Hillsborough County, N. H., at the September term.

It appears that Hayward had entered into contract with the plaintiff, a cooperative organization, under which contract he agreed to deliver all of his milk and dairy products to it for marketing for a period of three years, but that he had failed to comply with the terms of the contract, in that he had not delivered any milk to the cooperative association.

In bringing suit the Dairy System petitioned for liquidated damages, an order for specific performance, an injunction, and an order for the payment of costs by the defendant. Hayward in setting up his defense claimed, among other things, that he had been induced to sign the contract by misrepresentations.

The court held that "no false, fraudulent, or mistaken representations were made in negotiating the contract"

Regarding the matter of liquidated damages the court said:

The agreement for liquidated damages is not an option for the termination of the contract whenever Hayward may choose. Such damages are for a breach of his obligations. His offer to pay the amount of such damages is not an offer to perform the contract; neither does it discharge his obligations under it. The contract is a legal obligation binding both Hayward and the system at the present time.

Hayward has never delivered milk in accordance with his obligation. As he has produced milk from twelve cows he owes the system \$60 under the contract provision for liquidated damages of \$5 a cow. If Hayward at any time during the three-year period of the contract shall produce milk from more than twelve cows he will owe the system \$5 for each such additional cow unless prior thereto he shall cease to violate his obligation to deliver milk to the system.

Relative to the petition for an order for "specific performance" the court said:

Hayward is a man of honor. Painsstaking fulfillment of contracts is his habit. There is reason to believe that no court order will be needed to assure a performance of his legal duty in this case. It is not to be expected that a man of his standing will refuse to deliver milk to the system when he learns from this decree that his contract is an existing legal obligation. The honorable discharge of such obligation by performance will alone satisfy him. If Hayward should be unmindful of his contractual obligations, and should persist henceforth in their breach, "specific performance" could be

accomplished only by placing his milk-producing operations in charge of officers of the court. Such process would be cumbersome, expensive, and without promise of profitable results. There is evidence of no exigency to justify such an undertaking. It is not a remedy that can reasonably be granted in this case. The same is true of the prayer for an injunction. Hayward's persistence in his breach of duty, were an injunction issued, would result in punishment by fine or imprisonment for him. These punishments would be neither merited by, nor a reasonable remedy for, a breach of his duty to deliver to this plaintiff the milk of his twelve cows if he continues to produce milk from them. Specific performance and injunction are denied.

Hayward in his contract had agreed to pay all expenses arising out of litigation. The court awarded the system \$500 for expenses in addition to the \$60 for liquidated damages.

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RIGHTS AND DUTIES DETERMINED BY MUTUAL AGREEMENTS

In the case of the Tobacco Growers' Cooperative Association v. Bissett, decided by the Supreme Court of North Carolina, 121 S. E. 446, it appeared that Bissett, a member of the association, had entered into a contract with it under which he agreed "to deliver to the association all the tobacco produced by or for him or acquired by him as landlord or lessor." Another provision in the contract was that if he produced any tobacco, or acquired or owned any interest in tobacco as landlord or lessor during the term of the contract, it should be included thereunder. Bissett leased land to several tenants and received one-half of the tobacco produced as rental. The tobacco thus received by Bissett he delivered or stood ready to deliver to the association. The tenants were not members of the association and sold or planned on selling their half of the tobacco outside of the association. The association claimed the right to deduct from money due Bissett five cents per pound as liquidated damages for all tobacco produced on his land but received by tenants as their part of the crop and not delivered by them to the association for marketing. The court in ruling against this contention said, "Neither the plaintiff nor the defendant agreed that the defendant would be compelled either to deliver tobacco belonging to a nonmember tenant nor to pay five cents a pound penalty for failure to do so." The court pointed out, however, that any tobacco coming into the possession of Bissett, whether under a landlord's lien or otherwise, would be covered by the contract.

L. S. Hulbert.

COOPERATIVES FIND WAREHOUSE ACT A DISTINCT BENEFIT

Large cooperative marketing associations find that many of their financing problems are readily solved through the operation of the United States Warehouse Act. Hundreds of millions of dollars have been and are being loaned to cooperatives solely on the basis of warehouse receipts issued by warehousemen licensed under the United States Warehouse Act.

Public warehousemen who can establish to the satisfaction of the United States Department of Agriculture that they are entirely trustworthy, thoroughly competent, and financially responsible, may be licensed to store certain agricultural products. The eligible commodities are: cotton, wool, tobacco, grain, farmers' stock peanuts, late potatoes, dry beans, and dried fruit.

The receipt which a licensed warehouseman may issue is a definite contract between the depositor and the warehouseman, showing among other things the exact quantity of the product entrusted to the warehouseman, its grade, variety, and condition. Any encumbrances against the goods stored must be clearly shown. In short, the receipt contains the information essential to a banker to make a fair loan.

Federally licensed warehousemen are subject not only to examination prior to licensing but are under constant supervision thereafter. A plan similar to that used by the United States Treasury Department in the supervision of national banks is in operation. During each examination the financial condition of the warehouseman is determined, for he must at all times maintain a definite amount of net assets. He must keep constantly on hand a sufficient quantity of the agricultural products he is licensed to store to cover all outstanding warehouse receipts. The penalty for misappropriation of any depositor's products is severe.

So favorably does the banking fraternity view the receipt issued by this class of warehousemen that many banks accept the receipts as collateral without question. The Intermediate Credit banks, the Federal Reserve banks, and hundreds of the leading commercial bankers have expressed a preference for them. Cooperative associations find it to their advantage to store their products with warehousemen who qualify under this law. It not only gives them a preferred warehouse receipt, but it gives them a wider field of credit and frequently better interest rates.

Among the prominent cooperatives using licensed receipts are the Burley Tobacco Growers' Cooperative Association; the Dark Tobacco Growers' Cooperative Association; the Tobacco Growers' Cooperative Association of Virginia and the Carolinas; the Northern Wisconsin Cooperative Tobacco Pool; the South Carolina, North Carolina, Georgia, Alabama, Arkansas, Louisiana, Arizona, Tennessee, and Missouri cotton growers' cooperative associations; the long and short staple cotton cooperative associations of Mississippi; the Kansas, Southwest, and Indiana wheat growers; the Louisiana and Arkansas rice growers' co-

operative associations, the Pacific, California, Montana, and Iowa wool growers' cooperative associations; and the Georgia Peanut Growers' Cooperative Association.

Cooperative associations or others who desire complete information on this subject should write to the United States Department of Agriculture for a recent publication entitled "Warehousing Farm Products Under the United States Warehouse Act."

H. S. Yohe.

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LOCAL ELEVATORS AND BANKS COOPERATING WITH GRAIN ASSOCIATIONS

Three hundred forty local elevators and 275 local banks are cooperating with the South Dakota Wheat Growers' Association, Aberdeen, S. Dak., in the movement to market of the 1924 wheat crop. The wheat grower delivers his grain to one of the cooperating elevators and then draws his advance from the association through one of the cooperating banks. Already nearly one and one-half million bushels of wheat has been delivered for entry in the 1924 winter pool. Of this amount 750,000 bushels has been stored in terminal markets where it is available for satisfying market demands. It is estimated that the association will handle from three to four times as many bushels of wheat this year as last.

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COMPANY CONDUCTS ELEVATOR AND LUMBER YARD

Business amounting to \$277,804 was handled by the Madison Farmers' Elevator, Madison, S. Dak., during the year ending June 30, 1924. Of this amount \$210,251 was credited to the grain elevator and \$67,552 to the lumber yard. Grain handled was 517,644 bushels, and seed 173,972 pounds. Two hundred fifty-three cars of grain were shipped, also two cars of timothy. Seventy-eight cars of coal were sold, as well as large quantities of flour, feed, salt and twine.

At the lumber yard, cement, tiles, brick, plaster, fence, and tankage, were handled, besides lumber and other building supplies.

This company has capital stock amounting to \$35,850; a surplus of \$7,987; and a reserve for depreciation of \$7,864. Its plant and equipment are valued at \$20,024, and the profit for the year was \$13,414.

SALES INCREASED BY BETTER GRADING

Increased sales through careful grading and the use of branded sacks are reported by the Belleville Cooperative Potato Marketing Association, Belleville, Ill., one of the locals of the Illinois Fruit Exchange. Twenty-nine cars of Illini Bluff Brand Cobblers were shipped during August and September, twenty-one of which were repeat orders. Each sack of potatoes in these cars graded U. S. No. 1 and weighed the standard 121 pounds.

Potatoes are graded and sacked at a local cooperative grain elevator and expenses of marketing are estimated at about 38¢, divided as follows: grading and loading, 12¢; dues to local association, 3¢; sacks, 10¢ each; dues to the Illinois Fruit Exchange, 13¢. This last item includes the state inspector's charge, also freight and sales service. While prices are low and unsatisfactory, the manager figures that the net average price for these cars was about 80¢, and that, without the association, the potatoes would have been given away. By shipping to distant points the St. Louis market was relieved and better prices received.

The Belleville local was organized four years ago and the first year it shipped 8 cars of potatoes; last year 21 cars were shipped, and this year the total will be about 40 cars.

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BIG BUSINESS IN COOPERATIVE BUYING BY NEW YORK ASSOCIATION

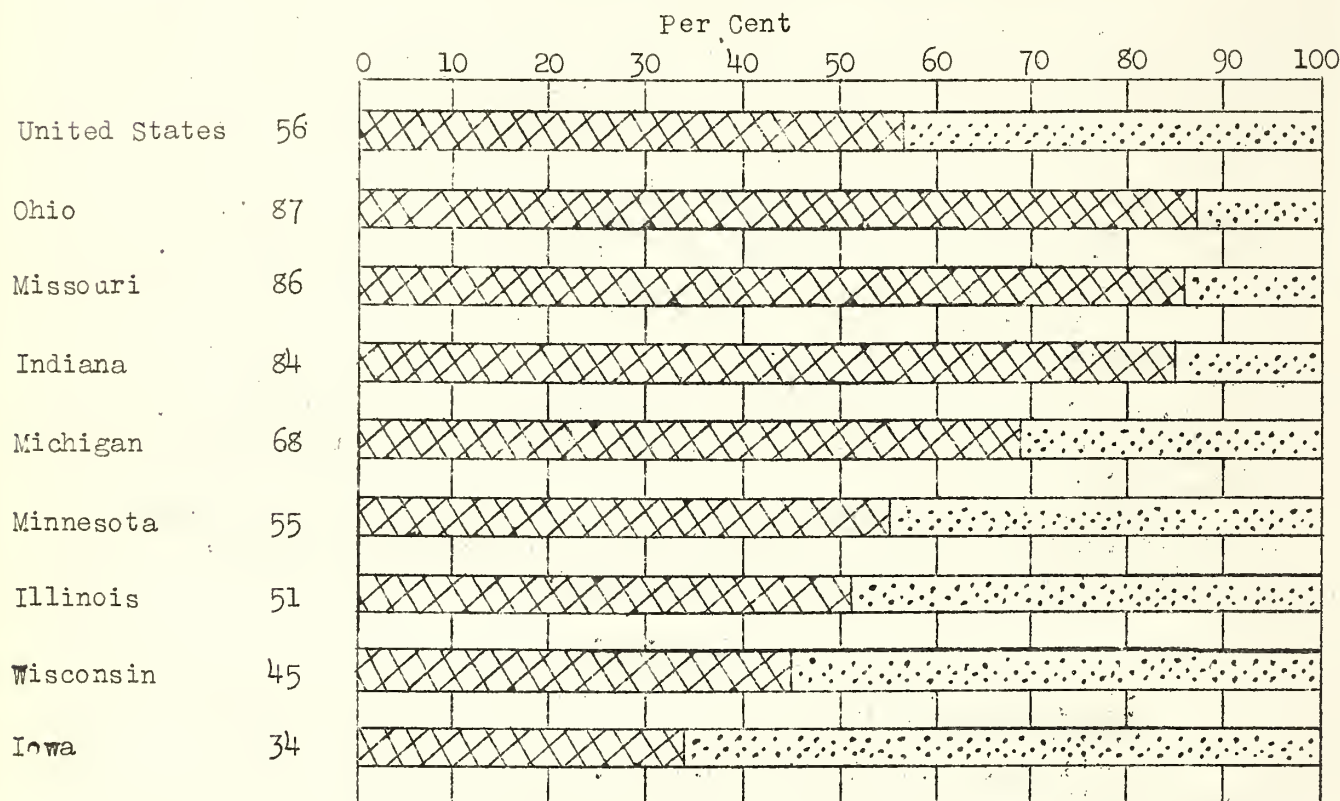
A publication entitled "The G. L. F. Shareholder" has been started for the purpose of keeping the 40,000 members of the Cooperative Grange League Federation Exchange, Inc., Ithaca, N. Y., informed regarding the activities of the organization. The new paper presents an attractive appearance. It is printed on high-grade paper and illustrated, contains from 8 to 16 pages, and is issued at irregular intervals.

The G. L. F., as the association is called, was formed in 1920 for the purpose of buying cooperatively the supplies needed by the farmers. The business is handled in four departments, namely, (1) grain and feed; (2) seed; (3) fertilizer; (4) coal, binder twine, paint and tires. The amount of business for the three full years that the organization has been functioning is in excess of twelve million dollars. The amounts for the several years are as follows:

1921	\$3,600,000
1922	3,200,000
1923	5,900,000

Capital stock issued up to April 30, 1924, amounted to \$772,155. Dividends for the period July 1, 1923, to July 1, 1924, have been paid at the rate of 6%. The association owns real estate and equipment valued at over \$500,000. The net worth on April 30, 1924, was given as \$894,764.

PERCENTAGE OF COOPERATIVE LIVESTOCK SHIPMENTS SOLD THROUGH
COOPERATIVE TERMINAL



During the past seven years there have been set up in 21 of the larger terminal livestock markets 27 cooperative sales agencies for handling livestock on a commission basis. These sales agencies are cooperative in that they are owned and controlled by the farmers who produce the livestock which is sold, and that such of the commission charges as are not needed to pay the expenses of operation are returned to the producers at stated intervals as patronage dividends. The cooperative, terminal-market sales agencies handled approximately ten million animals in 1923 which were sold for nearly \$200,000,000. The excess commissions returned as patronage dividends amounted to more than \$800,000.

An increasing number of local livestock-shipping associations are consigning their livestock to the cooperative sales agencies in the terminal markets. Figures collected in the early summer of 1924 indicate that 56.2% of the livestock handled by the local associations is going to the cooperative sales agencies. The percentage is probably higher now than six months ago. The percentages of the cooperative shipments sold cooperatively varied greatly for the different states of the Corn Belt where most of the cooperative shipping associations are located. In Ohio 86.9% of the cooperative shipments were sold cooperatively while in Iowa the percentage was but 33.8.